CITY OF PITTSBURGH

Equipment Leasing Authority

MEMORANDUM

TO: Guy Costa, Vice-Chair
William Urbanic, Treasurer
Bruce Kraus, Assistant Treasurer
Wendell Hissrich, Secretary

FROM: Jennifer Presutti, Chair

DATE: November 1, 2019

SUBJECT: Amended ELA Minutes-September 26, 2019

Attached please find the amended minutes of the Equipment Leasing Authority board meeting held on September 26, 2019.

The minutes were amended to make a correction under the Draft 2020 Plan which has been noted in the amended minutes.

Please contact me if there are any questions.

Attachment

AMENDED MINUTES OF THE MEETING OF THE EQUIPMENT LEASING AUTHORITY HELD ON SEPTEMBER 26, 2019

CALL TO ORDER

The Equipment Leasing Authority board meeting of September 26, 2019 was called to order at 2:02 p.m.

Present – Jennifer Presutti, Guy Costa, Wendell Hissrich, Bill Urbanic, Jennifer Olzinger, Brandon Walton, Peter McDevitt, Jamie Jones, James Gladys, Kevin Pawlos, Kim Osterman, Chief Ron Romano, Assistant Chief Auvil, Ralph Sicuro, John Gardell and Brian Kokkila
Absent – Bruce Kraus

APPROVAL OF MINUTES

The minutes from the June 27, 2019 board meeting were approved for filing.

PUBLIC COMMENT

Ms. Presutti asked for comments from the public. Public comment was given by Ralph Sicuro, the President of IAFF Local 1. Mr. Sicuro stated that he would like to address the board to discuss the potential leasing of fire apparatus. He said that every few years there is a need to make larger purchases for the Fire Bureau fleet and the bureau needs adequate equipment for the safety of the citizens. The lease plan that would provide the most vehicles is the one that he hopes that the board would consider. Ms. Presutti thanked Mr. Sicuro for his comments and asked if there were any additional public comments. There were none.

PURCHASE APPROVALS AND AUTHORIZATIONS

Authorized Interim Approval IA-19-19 to amend the 2019 Acquisition Plan for the Department of Mobility and Infrastructure

The Board authorized Interim Approval IA-19-19 amending the 2019 Acquisition Plan by reducing the number of Pickup Trucks for the Department of Mobility and Infrastructure from three (3) to two (2) and adding a Ford Fusion Hybrid Sedan at a cost of $25,298.56. This sedan will be used to replace the recently decommissioned vehicle used by the Paving Supervisors and will net a savings of $14,701.44 which will be added into contingency funding. Interim approval was granted on July 2, 2019.

Authorized Interim Approval IA-19-20 to enter into an agreement with Maher Duessel

The Board authorized Interim Approval IA-19-20 to enter into an agreement with Maher Duessel to perform a review of ELA financial policies and procedures to ensure compliance with Act 4 of 2019. The total cost of the review is $1,000.00 and will be paid from the "Professional Services" line item in the 2019 ELA Plan. Interim approval was granted on July 2, 2019. Mr. Gladys stated that the ELA adopted the City's Procurement Code with modifications and in order for this agreement to be approved it would need to be through Sole Source or a Government Compliance Order. Ms. Olzinger noted that purchases under $3,000 are usually an exception. Mr. McDevitt explained that Maher Duessel currently has the contract for auditing services with the City of Pittsburgh and they are familiar with ELA operations and would be the best firm to help the ELA to ensure compliance with the Act. Mr. Gladys agreed to write a Sole Source letter for this agreement.

Authorized Interim Approval IA-19-21 to amend the 2019 ELA Plan by adding the purchase of a Tag Axle conversion kit for the Front Loading Refuse Packer

The Board authorized Interim Approval IA-19-21 amending the 2019 ELA Plan by adding the purchase of a Tag Axle conversion kit for the Front Loading Refuse Packer purchased by the Housing Authority for the Bureau of Environmental Services (PWES) at a cost not to exceed $11,000.00. The request for bid given to the Housing Authority by the City did not include the requirement for a Tag Axle, but PWES' routes require

the additional axle to accommodate the amount of weight that is collected on the routes. Contingency funds will be used to pay for this purchase. Interim approval was granted on July 16, 2019. Mr. Costa asked Mr. McDevitt to reach out to the Housing Authority again and request that the Housing Authority pay for this expense.

Authorized Interim Approval IA-19-22 to amend the 2019 Acquisition Plan for the Department of Public Works - Facilities
The Board authorized Interim Approval IA-19-22 amending the 2019 Acquisition Plan for the Department of Public Works - Facilities by reducing the number of Pickup Trucks from four (4) to three (3) and adding a Ford Transit cargo van at a cost not to exceed $28,369.00. The cost of the cargo van is $3,590.00 less than the pickup truck. This cargo van will be used to replace the truck used by the HVAC repairers, will provide security for plumbing equipment and tools, and reduce the need to remove the tools from the vehicle when they are unable to park indoors. Interim approval was granted on August 12, 2019.

Authorized Interim Approval IA-19-23 to amend the 2019 ELA Plan for the Department of Public Safety by adding a Lenco BearCat G3
The Board authorized Interim Approval IA-19-23 amending the 2019 ELA Plan for the Department of Public Safety by adding a Lenco BearCat G3 from Lenco Armored Vehicle in an amount not to exceed $405,614.00. The entire cost will be reimbursed to the ELA as follows, $200,000.00 from the Public Safety Support Trust Fund, and $205,614.00 from the Public Safety Administration Operating Budget. Interim approval was granted on August 20, 2019.

Authorized Interim Approval IA-19-24 to amend the 2019 Acquisition Plan for the Bureau of Environmental Services to upgrade to a 12 Liter CNG engine with a Jake brake.
The Board authorized Interim Approval IA-19-24 amending the 2019 Acquisition Plan for the Bureau of Environmental Services by increasing the allotted funding by $23,956.00 to upgrade to a 12 Liter CNG engine with a Jake brake. The 2019 Acquisition Plan granted $717,814.00 to Environmental Services for two (2) Compressed Natural Gas Refuse Packers. The quoted specifications included the smaller engine and did not include an engine brake. The engine brake option is only available on the upgraded engine. The 12 Liter engine will allow the units to reach safe speeds on I-376 (Green Tree Hill) and the Jake brake will provide for longer stopping distances when operating downhill. Contingency funds will be used to pay for the cost increase. Interim approval was granted on August 30, 2019. Mr. Walton stated that the Grants Office reached out to the DEP and the grant is not affected by this upgrade.

Authorized Interim Approval IA-19-25 to amend the 2019 ELA Plan for the Department of Parks and Recreation by adding a Wells Fargo Cargo Trailer
The Board authorized Interim Approval IA-19-25 amending the 2019 ELA Plan for the Department of Parks and Recreation by adding a Wells Fargo Cargo Trailer at a cost not to exceed $3,645.00. The entire cost of the trailer will be reimbursed to the ELA from the Parks and Recreation Property-Vehicle Account. Interim approval was granted on September 13, 2019.

Authorized the purchase of one (1) six-year-old Black Forest Draught Horse named Toby for the Mounted Patrol Unit.
The Board authorized the sole source purchase of one (1) six-year-old Black Forest Draught Horse named Toby for the Mounted Patrol Unit. The entire cost of $9,500.00 will be reimbursed to the ELA from the Police Mounted Patrol Trust Fund. A sole source purchase may be done upon a determination by the

Board in writing that one or more of the following conditions exist: 1. Only a single contractor is capable of supplying; and/or 2. It is clearly not feasible to award on a competitive basis; and 3. The contract is in the best interests of the ELA. The attached memo from Police Commander Ed Trapp contains the rationale for this finding along with a description of the extensive search conducted that led to the recommendation to buy this particular animal. Mr. Hissrich discussed that the process of finding an appropriate horse is extensive. Draught horses are used for mounted units and that the funding for the horse is through a donation. Mr. Hissrich also noted that this purchase will bring the stable to seven and some of the horses work six to seven days a week.

Authorized Interim Approval IA-19-10 to cancel the Police Vehicle Upfitting Contract AUTH18000420, issued by the Office of Management and Budget on behalf of the Equipment Leasing Authority, to First Vehicle Services, Inc. (FVS).

The Board authorized Interim Approval IA-19-10 to cancel the Police Vehicle Upfitting Contract AUTH18000420, issued by the Office of Management and Budget on behalf of the Equipment Leasing Authority, to First Vehicle Services, Inc. (FVS). Mr. Urbanic made a motion to un-table Interim Approval IA-19-10. At the June 27, 2019 board meeting, FVS was asked to provide the board with a plan for the upfitting. FVS stated that they would provide a plan to the board within two weeks. A plan was not submitted by FVS. A motion was made to authorize Interim Approval IA-19-10 and the motion passed unanimously.

REQUEST FOR PROPOSALS FOR POLICE VEHICLE UPFITS

The City of Pittsburgh's Bureau of Procurement is assisting the ELA with issuing a Request of Proposals for the upfitting of Police vehicles. The draft Request for Proposals was provided to the board and Mr. Walton lead the discussion. He noted that not much has been changed from the prior request for proposals; the language was removed that the vendor must be within 75 aerial miles, language was kept that the vendor must deliver the unit once it has been upfitted, the vendor will need to provide a letter that they are in good standing with Whelan, and must provide documentation that their clinicians are EVT certified. In order to upfit the units in a timely fashion, the plan is to deliver half of the units to the upfitters while FVS is working on the lettering on the other half. We can also ask the dealers to deliver the vehicles to the upfitter. The cost of the upfitting is approximately $13,000 per unit for parts and installation. It was noted that different upfitting will be required on the 2020 units. There are only three Whelan master distributors in the area. Whelan has the best pricing, 40% off the MSRP. It is not necessary to award a contract for a request for proposal to the lowest bidder. The Board unanimously approved the release of the Request for Proposals for upfitting.

Mr. Walton stated that FVS had ordered the incorrect fillers for the consoles and TeamForce had to order new fillers. Any additional cost will be recouped from FVS.

VEHICLE STATUS REPORT

The 2019 vehicle status report was presented to the board. The following update was provided for the 2019 vehicle purchases. Mr. Walton stated that we are ordering the last three vehicles. The Dept. of Public Works vehicles will be ordered with 4-wheel drive and plow kits for winter services. The fuel truck cannot be purchased this year. The lowest quote was $186,000 and there is not funding available for this purchase in the plan. Mechanically the truck is in good shape.

NCA REPAIR COSTS REPORT

The NCA Repair Costs Report was provided to the Board for review. Mr. Walton noted that all of the vehicles on the report have been repaired and are back in service. There is one repair for $860.00 that was added to the report in error.

ONLINE AUCTION REPORTS

The Sold Vehicle Reports from GovDeals and GovPlanet were included in the board packet. On May 7, 2019, the board approved using GovPlanet as a secondary online auction site for the sale of surplus equipment and vehicles. GovPlanet is under contract with the Commonwealth of Pennsylvania and the City of Pittsburgh is utilizing the agreement with no contractual obligation. Mr. McDevitt noted that we are continuing to use both auction sites to ascertain whether one vendor outperforms the other. Mr. Walton is working with FVS to decommission vehicles and prepare them for the auction. Fifteen vehicles are undercover units and we are waiting for the titles. Mr. Walton anticipates that 20 to 30 vehicles will be sold within the next three weeks.

2020 DRAFT EQUIPMENT ACQUISITION PLAN

The Draft 2020 Equipment Acquisition Plan was provided to the Board. Mr. Walton worked with City departments on the 2020 plan and submitted individual proposals to the Capital Budget team for each purchase. Mr. Walton worked with the Capital and Operating Budget teams to prioritize the list. Mr. Urbanic stated that he would like to see all vehicles purchased as hybrids and that hybrid technology is not new. Hybrids save fuel costs over time, the brakes have regenerative braking, the hybrid drive chain causes less wear on the brakes which requires less time in the shop, less oil changes are required which reduced maintenance costs and there is less downtime over the life of the vehicle, and there is also the social benefit to consider. He noted that Mayor Peduto and Council Person Strassburger are on board. Mr. Urbanic reminded the board of the 2007 fuel efficiency resolution and stated that we need to continue to move in this direction. Mr. Walton added that the Bureau of Police are test driving the police hybrid in a few weeks. Mr. Hissrich added that he is not convinced that we should purchase all 32 hybrids in case there are problems. The new 2020 Interceptor does not seem to have enough power. The police units are a new prototype and if something goes wrong, it could be problematic. He is concerned because just yesterday there was a news story regarding a police electric Tesla vehicle ~~hybrid prototype~~ in which the speed dropped to five mph and the police were unable to continue to pursue a vehicle. The power needs to be sustained at red lights and dogs are in many of the cars. Mr. Hissrich noted that the Mayor was on board for 16 hybrids for the first year because of the new prototype. Mr. Walton noted that Ford offers an Interceptor with a 3.2-liter Engine and an EcoBoost is another option. He is trying to get a new EcoBoost to test drive. Mr. Urbanic also noted that our fuel usage is going up because we are going from two wheel drive Impalas to SUV's which use more fuel.

Ms. Presutti noted that City Council has to approve the funding for the vehicles and some of the units may need to be cut from the plan. The ELA plan is included in the capital budget as deliverables. All requests for vehicles were submitted separately to the capital team and cuts may need to be made. The plan is prioritized based on desperate need. Ms. Presutti noted that the final vote on the 2020 Acquisition Plan will be held at the December 5, 2019 board meeting.

Discussion followed regarding fire truck leasing options. Mr. Costa thinks that leasing is the way to go. Mr. Urbanic discussed that there is language in the leasing documents that states that more than $10 Million in debt will be issued in the calendar year and noted that the Municipal Authorities Act prohibits us from issuing debt in the cities name. Ms. Presutti stated that the ELA is not issuing $10 Million in tax exempt debt. It was mentioned that perhaps PNC could remove that language in the lease agreement. Mr. Urbanic thinks that the lease

agreement should be approved by City Council and that the ELA Solicitor should take a look at the agreement. Mr. Walton discussed that Pierce will give us our own assembly line and the trucks should be available in eight months once the leasing paperwork has been finalized. Delivery is expected in August. The payment would be due 12 months from the date of the signature. Chief Auvil stated that it takes one month for the engineering, two months to get the line started and up to eight months for delivery. Pierce has three factory demos but they do not meet the Pittsburgh specs, one is too long, one seats eight, and they do not use the same pump. Spencer could not guarantee delivery in eight months. Mr. Walton noted that three fire pumpers will be delivered in November and will be in service by the end of November. We are holding on to Quint 18 for the Training Academy. Mr. Walton wanted to keep the three Quints rather than trading them in. Assistant Chief Kokkila noted that the Quints are overweight, have consistent maintenance problems with extensive repairs, and that when the trucks reach a certain age that there is an exponential jump in repair costs and downtime. Replacing the trucks will free up FVS costs. Mr. Walton noted that we are trading in 3 Quints and 3 will be delivered and there is no gain. Chief Auvil stated that there are three lease options. The 11 year Option 2 will allow the Fire Bureau to move forward and is a rock solid plan.

GRANT DISCUSSION

AFIG Grant for nine (9) Electric Vehicles: $67,500.00

- ELA Contribution: $236,383.56
- Status: Vehicles have been received and all paperwork has been submitted to the State and we are awaiting reimbursement

AFIG Grant to install eight (8) duel-hose EV Charging Stations at the Pittsburgh Parking Authority Second Avenue lot: $135,160.00

- ELA Contribution: $135,160.00
- City representatives have coordinated with the Pittsburgh Parking Authority and Duquesne Light to ensure appropriate steps are taken
- PO ELA-2019-081 was issued in August to hire Buchart Horn, Inc. to design the electric infrastructure that will be required for the installation; final drawings are expected by the end of October
- Trenching will need to be completed by the beginning of November, or it will need to wait until spring
- Mr. McDevitt noted that this project will be less expensive than originally thought because a transformer can be built closer to the site. Mr. McDevitt will find out who is going to pay for the electricity and if Duquesne Light is paying for the transformer.

DCED Clean Diesel Grant for two (2) CNG Refuse Trucks: $170,000.00

- ELA Contribution: $571,768.00
- Purchase Orders ELA-2019-061 and ELA-2019-062 were issued July 10, 2019 for the purchase of the Cab & Chassis and Packer Body respectively for two combustible natural gas fueled refuse trucks.
- The grant was set to expire at the end of September, 2019, but a six-month extension was granted by the State extending the deadline to receive the trucks and complete any other necessary work
- Mr. Walton noted that the chassis are on schedule but the body company is behind.

Update on Solar Arcs: Arcs have been purchased and the funding has been received

- All arcs have been moved so that they can be plugged in to receive a "trickle charge" to ensure they can charge electric vehicles at all times, and they will need to be plugged in before November.
- Arc 139 has recently malfunctioned and is not operating. Envision Solar is sending an engineer to Pittsburgh to diagnose and remediate the issue.

ELA FINANCIAL STATEMENTS; FIRST AND SECOND QUARTER OF 2019

McGee, Maruca and Associates has provided the ELA financial statements for the First and Second Quarter of 2019 which were forwarded to the board electronically for review. Mr. Urbanic made a motion to discuss the Financial Statements and noted that the documents are a compilation of our financial statements from an independent firm and not official audited statements and that they look good. A motion was made to accept the Financial Statements and was unanimously approved.

OTHER BUSINESS

Fuel Card Management System

A Request for Proposals was recently awarded for a new Fuel Card Management System. The City is moving from Wright Express which is on a State contract to its own contract with Mansfield Oil. The vendor will perform site evaluations on each fuel island to determine the exact needs for each location. The City will no longer be using the Fuel Master system.

Standardized Form for Requests for Cooperative Purchasing (Costars) Quote

Ms. Jones has developed a form for requesting quotes for cooperative purchasing using costars in order to standardize the return of the information from the dealers. The information that is requested from the vendor includes Make, Model, Costars Contract Number, MSRP, Costars Discount, Net Price Per Vehicle, Total Cost and Expected Delivery Date. The form also notes that alternative makes and models may be submitted for consideration if the vehicle meets all of the requested requirements and are manufactured in North America in accordance with the Commonwealth Procurement Code.

City Council Budget Hearing

Mr. Urbanic reminded the board that they are required to provide representation at the City Council Budget Hearing for the ELA. Notification of the date and time of the hearing will be provided by the City Clerk's Office.

MEETING SCHEDULE

The next meeting of the Equipment Leasing Authority is scheduled on December 5, 2019 at 2:00 p.m. and will be held in the City County Building in Room 510.

ADJOURNMENT

A motion was made to adjourn the meeting at 3:35.